

Message Text

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ACTION EB-07

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 4005

INFO AMEMBASSY BUENOS AIRES

AMEMBASSY LA PAZ

AMEMBASSY QUITO

C O N F I D E N T I A L LIMA 1443

EO 11652: XGDS1

TAGS: EAIR, PE

SUBJECT: CIVAIR CONSULTATIONS: GOP TO REQUEST RENEWED

AIRLINE DISCUSSIONS

REF: LIMA 1316, 1374, 1375

1. SUMMARY: NEWLY NAMED PERUVIAN AMBASSADOR TO U.S. ADMIRAL ARCE, TOLD AMBASSADOR TODAY THAT GOP HAS INSTRUCTED AEROPERU TO RESUME AIRLINE-TO-AIRLINE TALKS WITH BRANIFF REPRESENTATIVES LOOKING TOWARD RESOLUTION OF OUTSTANDING DISAGREED ISSUES. ACCORDING ARCE, FONMIN DE LA FLOR HAS CALLED IN AEROPERU PRESIDENT SOTO AND INSTRUCTED HIM TO REOPEN NEGOTIATIONS WITH BRANIFF, WITH THE HOPE OF RESOLVING REMAINING POINTS AT ISSUE AND WITH OBJECTIVE OF AVOIDING ANY FURTHER GOVERNMENT-TO-GOVERNMENT CIVAIR NEGOTIATIONS. ARCE LEFT COPY OF AEROPERU REPORT ON AEROPERU'S UNDERSTANDING OF STATUS OF CURRENT NEGOTIATIONS, INCLUDING SPECIFICALLY AEROPERU'S MOST RECENT OFFER (SEE REFTELS). END OF SUMMARY.

2. AMBASSADOR ARCE CALLED THIS MORNING AT HIS REQUEST ON AMBASSADOR TO DISCUSS CURRENT IMPASSE IN AEROPERU-BRANIFF

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NEGOTIATIONS. ARCE SAID THAT HE AND FONMIN DE LA FLOR

WANT TO AVOID GOVERNMENT-TO-GOVERNMENT CONFRONTATION OVER CIVAIR NEGOTIATIONS. ARCE QUOTED DE LA FLOR AS SAYING HE HAS ASKED GENERAL SOTO TO REOPEN NEGOTIATIONS WITH BRANIFF, DEFENDING PERU'S LEGITIMATE INTERESTS BUT ALSO SEEKING PRACTICABLE SOLUTION ADEQUATELY ACCOMMODATING BOTH AEROPERU AND BRANIFF REQUIREMENTS. ARCE SAID THAT HE AND DE LA FLOR THINK THAT THE LATEST AEROPERU PROPOSAL IS REASONABLE, BUT THEY ALSO CONCUR THAT AN AGREEMENT SHOULD BE OBTAINED WITH BRANIFF SO AS TO KEEP THESE CIVAIR MATTERS OUT OF GOVERNMENT-TO-GOVERNMENT NEGOTIATIONS.

3. AMBASSADOR REVIEWED WITH ARCE BRANIFF'S POSITION THAT IT CANNOT CONTINUE TO PROVIDE SERVICE TO PERU UNDER THE LATEST RESTRICTIONS IMPOSED BY GOP CIVAIR AUTHORITIES. IF THESE RESTRICTIONS REMAIN, OR ARE NOT SIGNIFICANTLY REDUCED, BRANIFF WILL CONTINUE INCURRING A DEFICIT AND MUST SOON SUSPEND SERVICES. INEVITABLY, AMBASSADOR SAID, SUCH SUSPENSION WOULD CAUSE USG TO REVIEW PERU'S RIGHTS UNDER BILATERAL AIR AGREEMENT, INCLUDING LEADING TO HEARING ON WHY AEROPERU'S OPERATING PERMIT SHOULD NOT BE SUSPENDED. AMBASSADOR EMPHASIZED THAT SERVICES OF BOTH AIRLINES COULD THUS BE SUSPENDED AND SUCH A SUSPENSION COULD GO ON FOR SEVERAL MONTHS AWAITING NEGOTIATION OF AN ACCEPTABLE AGREEMENT. SUCH AS IMPASSE COULD CREATE MANY UNNECESSARY AND AVOIDABLE PROBLEMS FOR THE TWO COUNTRIES, AND WOULD GREATLY INCONVENIENCE FLOW OF TOURIST, BUSINESS, DIPLOMATIC, AND INTERNATIONL CONFERENCE TRAVEL IN AND OUT OF PERU. (THE LAST-NAMED POINT MAY BE OF CONCERN TO GOP ON EVE OF UNIDO CONFERENCE AND OTHER LATER INTERN- TIONAL CONFERENCES TO BE HELD HERE.)

4. ARCE AND AMBASSADOR AGREED THAT SUCH A NEGOTIATING IMPASSE SHOULD BE AVOIDED IF AT ALL POSSIBLE. ARCE LEFT COPY OF LATEST AEROPERU PROPOSAL WHICH AMBASSADOR SAID HE WOULD PROMPTLY GIVE TO BRANIFF REPRESENTATIVES. AMBASSADOR TOLD ARCE THAT IF THERE IS A GOP OR AERIOPERU OVERTURE FOR FURTHER NEGOTIATIONS, HE IS CONFIDENT THAT BRANIFF PRINCIPALS WOULD BE MOST WILLING TO RESUME DIS- CUSSIONS. ATTHIS POINT, ARCE SAID THAT HE AGREED, ADDING THAT "LAWRENCE IS A GOOD FRIEND OF THE PRESIDENT'S."

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5. ARCE REPEATED THAT THE TWO GOVERNMENTS SHOULD BE KEPT OUT OF THE NEGOTIATIONS. AMBASSADOR SAID THIS IS DIFFI- CULT SINCE GOP IS ALREADY INVOLVED IN SETTING RESTRICTIONS ON BRANIFF OPERATIONS, AND THROUGH GOP OWNERSHIP OF AEROPERU. MOREOVER, USG MUST CONCUR WITH AEROPERU-BRANIFF SETTLEMENT AND, FOR EXAMPLE, IS A DIRECT PARTY TO WHETHER OR NOT TO GRANT NEW YORK AS AN ADDITIONAL US TERMINUS TO

AEROPERU.

6. AMBASSADOR THEN REVIEWED OUR UNDERSTANDING OF THE COURSE OF NEGOTIATIONS. HE SAID THAT GOP CIVAIR AUTHORITIES HAVE PLACED MANY, AND SOMETIMES UNREASONABLE RESTRICTIONS ON CURRENT BRANIFF OPERATIONS. SUCH RESTRICTIONS, SOME OF THEM ARBITRARY OR SEEMINGLY ADOPTED ON WHIM, ARE INCOMPATIBLE WITH BRANIFF NEEDS. AMBASSADOR SAID THAT WORLD AIR TRAFFIC PATTERNS ARE INVOLVED, COMPUTERIZED RESERVATIONS AND OTHER ARRANGEMENTS MUST BE MADE, AND THERE MUST BE SATISFACTORY SCHEDULES AND ADEQUATE TIME TO ADAPT TO CIVAIR RULES. ANY AGREEMENT THE TWO AIRLINES REACH SHOULD RUN FOR AT LEAST A YEAR AND HOPEFULLY LONGER, SO THAT BOTH AIRLINES CAN MAKE THE NECESSARY PREPARATIONS AND BE ASSURED OF WHAT THE AGREED GROUND RULES ARE.

7. AMBASSADOR ALSO REVIEWED ROLE OF GENERAL SOTO IN NEGOTIATIONS. HE SAID THAT SOTO HAD GONE TO THE PRESS, COF-VEYING ERRONEOUS IMPRESSION THAT AGREEMENT HAD ALREADY BEEN REACHED BETWEEN THE TWO AIRLINES. AMBASSADOR SAID THAT HE IN CONSEQUENCE HAD GONE TO PRIME MINISTER MORALES BERMUDEZ, AIR MINISTER GILARDI, FOREIGN MINISTER DE LA FLOR AND AMBASSADOR ARCE, TO BRING ALL OF THEM UP TO DATE ON THE STATUS OF THE AIRLINE-TO-AIRLINE NEGOTIATIONS. AMBASSADOR REMINDED ARCE THAT GENERAL SOTO HAD ALSO DELAYED THE ORIGINAL AEROPERU APPLICATION FOR ITS U.S. OPERATING PERMIT FOR SEVERAL MONTHS, DESPITE EMBAASY ADVICE TO EXPEDITE THE APPLICATION, AND THEN GENERAL SOTO HAD COM-PLAINED ABOUT ALLEGED USG FOOT-DRAGGING TACTICS. AMBASSA-DOR SAID THAT SOTO, BY NOW ADVERTISING FUTURE AEROPERU ACCESS TO NEW YORK, HAS ALREADY PLANTED SEEDS FOR YET ANOTHER DIS-AGREEMENT AND CONFRONTATION, AS A RESULT OF WHICH USG COULD AGAIN BE BLAMED FOR BUREAUCRATIC DELAYS AND ECONOMIC COER-CION AGAINST AEROPERU. AMBASSADOR SAID THAT WE CAN UNDER-CONFIDENTIAL

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STAND AND ACQUIESCE IN A CERTAIN AMOUNT OF CRITICISM IN PERU'S PRESS, INCLUDING PRESS STATEMENTS DESCRIBING "VICTORIES" OF THIRD WORLD COUNTRIES SUCH AS PERU, AS LONG AS IN THE FINAL ANALYSIS WE OBTAIN PRACTICABLE AGREEMENT IN THESE AIRLINE-TO-AIRLINE NEGOTIATIONS.

8. EMBOFFS LATER MET WITH BRANIFF OFFICIALS AND GAVE THEM COPY OF MEMORANDUM PROVIDED BY ARCE FOR THEIR REVIEW. THEY SAID THERE WERE A FEW DIFFERENCES FROM THE VERSION PREPARED BY DE MURIAS (LIMA 1375) BUT THESE APPEARED FOR THE MOST PART TO BE INADVERTENT. THEY SAID THAT AS OF MID-AFTERNOON, NO REQUEST HAS REACHED BRANIFF FROM EITHER GOP OR AEROPERU TO REOPEN AIRLINE-TO-AIRLINE NEGOTIATIONS AND PROMISED TO INFORM US PROMPTLY IF AND WHEN SUCH A REQUEST IS MADE. THEY POINTED OUT THAT BRANIFF OPERATING

PERMIT EXPIRES MIDNIGHT FEBRUARY 28 AND THAT THEY BELIEVE
IT WILL BE TECHNICALLY UNFEASIBLE FOR GOP TO ISSUE NEW
PERMIT BY THAT TIME. THERE ARE WAYS IN WHICH DFTA CAN PER-
MIT AIRLINE TO OPERATE WITHOUT PERMIT, BUT BRANIFF REPRE-
SENTATIVES SAID THEY HAD NO INDICATION WHAT GOP INTENTIONS
MIGHT BE IN THIS RESPECT. (ANOTHER SOURCE HAS INFORMED
EMBASSY THAT BRANIFF IS QUIETLY MAKING PREPARATIONS TO
CLOSE DOWN ITS FACILITIES AT LIMA AIRPORT FROM MARCH 1.)
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Message Attributes

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